GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2098
ANSWERED ON:14.12.2004
UNDER UTILIZATION OF FUNDS
Gangwar Shri Santosh Kumar;Pandey Dr. Laxminarayan

Will the Minister of POWER be pleased to state:

(a) whether there has been under utilization of funds allocated to the Ministry during the last two years; and

(b) if so, the reasons therefor and the action taken by the Government in this regard?

Answer

THE MINISTER OF POWER (SHRI P.M. SAYEED)

(a) : Yes Sir. The shortfall in utilization of Gross Budgetary Support (GBS) allocated to the Ministry of Power during the last two years is as under:-

(Rs in crores)

Year	BE GBS	Actual GBS	Shortfall GBS
2002-03	3300.00	1830.46	1469.54
2003-04	3500.00	1846.46	1653.54

The GBS was provided for various projects/schemes of different Organizations under this Ministry.

(b) : The reasons for under utilization of the GBS during 2002-03 and 2003-04 is given at Annexure-I & II respectively organization-wise.

Ministry of Power has taken various corrective measures to ensure utilization of budgeted funds by better monitoring and review of projects. The steps taken are:-

i) Weekly review by Secretary (Power) of the status of investment approval of new of projects. Constant follow-up with other Ministries/organizations to expedite the approval of the Competent Authority to enable utilization of budgeted expenditure.
ii) Monthly review by Chairman, CEA of all projects.
iii) Three stage approval process for Hydro Projects to ensure adequacy of Survey & Investigation, creation of all essential infrastructure required for commencement of construction before accord of final approval by the Competent Authority.
iv) Comprehensive inter-ministerial quarterly review by Secretary (Power) of status of all ongoing and new projects.

Periodic project visits to expedite implementation of project.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PART (b) OF UNSTARRED QUESTION NO. 2098 TO BE ANSWERED IN THE LOK SABHA ON 14.12.2004.

The reasons for under utilization of GBS during 2002-03 are as follows:-

(Rs. In crores)
Corporation BE Actual Reasons for saving Expenditure

NTPC 167.63 0.00 NTPC has decided to fund the new schemes out of their internal resources and, therefore, there is no requirement of GBS for them. Hence there was a saving of Rs.167.63 crores.
NJPC 256.00 0.00 Saving of Rs.256 crores occurred in financial year 2002-03 on account of the fact that the project authority did not take the GBS allotted to them instead the completed the project by taking fresh borrowing and remaining equity from Government of Himachal Pradesh.
NEEPCO 200.48 49.26 The saving of Rs.151.22 crores under NEEPCO was due to non approval of their new schemes i.e. Tipaimukh (Rs.15 crores), Tuiral HEP (Rs.5 crores), Tuivai HEP (Rs.41 crores), Lower Kopili HEP (Rs.10 crores), Ranganadi Stage-II (Rs.20 crores) and Tripura Gas Based Project Project (Rs.47.10 crores).
NHPC 1800.00 874.71 There was a saving of Rs.925.29 crores under the NHPC due to non approval of their schemes i.e. Teesta Low Dam-III (Rs.25 crores), Sewa-II (Rs.100 crores), Omkareshwar (Rs.415 crores), Subansiri Lower (Rs.200 crores), Parvati-III (Rs.14.75 crores), Teesta Low Dam-IV (Rs.25 crores), Purulia (Rs.79.02 crores), Chamera HEP-III (Rs.23.25 crores), Uri-II HEP (Rs.25.10 crores) and also due to non approval/release of IDC component of Rs.94.26 crores to them for their completed projects (Tanakpur and Chamera-I).
PTC 1.00 0.00 There was a saving of Rs.1 crore under PTC as it was later on decided to restructure the Company with equity participation from Powergrid, NTPC etc.
CEA 40.24 14.65 The saving of Rs.25.59 crores occurred in CEA. It was mainly due to non approval of the new schemes namely :-
1. Creation of Sub-transmission & Distribution wing in CEA (Rs.5.5 crores in Revenue and Rs.2.5 crores in capital),
2. Technology Improvement in Grid Operation (Rs. 1.1 crore in Revenue),
3. Modernisation of CEA with low height partitioning including provision for EPBX (Rs. 1.5 crore in Revenue),
4. Up-gradation of IT in CEA (Rs. 2.26 crore in Revenue),
5. Technology Improvement in Thermal Power Sector (Rs. 3.06 crore in Revenue & Rs. 54 lakhs in Capital)
And also due to the slow progress of schemes namely :-
1. Review of H.E. potential & ranking studies of Balance H.E. schemes. (Rs.5.57 crores in Revenue)
2. Technology Improvement in Power System including procurement of Software packages (Rs. 74 lakh in Revenue and Rs. 79 lakh in Capital),
3. Strengthening of Regional Electricity Boards (Rs. 56 lakh in Capital),
4. Interaction with North American Electricity Reliability Council (NERC) (Rs. 28 lakh in Capital)
ANNEXURE-II

REFERRED TO IN REPLY TO PART (b) OF UNSTARRED QUESTION NO. 2098 TO BE ANSWERED IN THE LOK SABHA ON 14.12.2004.

The reasons for under utilization of GBS during 2003-04, Organization wise are as follows: -

(Rs. In crores)
Corporation BE Actual Reasons for saving Expenditure
NTPC 5.00 0.00 It was decided to fund projects from internal resources. Hence the saving of Rs.5 crores.
NEEPCO 216.49 21.26 Saving of Rs.195.23 crores in case of NEEPCO was due to the non approval of new schemes namely Tipaimukh HEP, Tripura Gas and Kameng. Increase of Tipaimukh, the security concerns and commercial unviability of tariff was the reason for non approval. Tripura Gas Project had to be reconfigured to 280 MW in light of less availability of Gas, while Kameng HEP was not fully prepared for grant of approval.
NHPC 2131.14 1388.42 The saving of Rs.742.72 crores in case of NHPC was due to following reasons:
- Non approval of the Purulia Pump storage schemes(due to absence of clarification/clearance for West Bengal),
- Kishan ganga, Parbati-III, Chamera-III, projects were not ready for approval.
- With regard to the funds budgeted for survey of investigation and the other new schemes, it was decided that NHPC would utilize its internal resources under the delegated powers. This has resulted in expediting the S&I work. However, the utilization of GBS was affected as a result.
Approval of the Competent Authority for capitalization of IDC for the completed schemes could not be obtained.
NPTI 24.60 5.09 The saving of Rs.19.51 crore in NPTI was due non approval of the New Schemes and slow progress of ongoing schemes.
CPRI 25.00 5.00 The saving of Rs,23.52 crore in CPRI was due non approval of the New Schemes and slow progress of ongoing schemes.
REC 100.00 0.00 The scheme of interest subsidy to

(AREP) REC (AREP) is being merged with other schemes of Rural Electrification as approved by the Government. Expenditure rescheduled for next year. Hence there was the saving of Rs. 100 crore.
PFC 300.00 191.91 For the scheme of interest subsidy

(AG&SP) to PFC (AG & SP), it is due to less claims received for the R&M projects in the state sector, resulting saving of Rs.108.09 crore.
Powergrid 80.00 50.18 With regard to the Powergrid Grant, the scheme of NERLDC was completed at lesser cost and therefore there was the saving of Rs.29.87 crore.
New 20.00 0.00 The new schemes of MOP could not Schemes get approved by the competent of MOP authority, so the full amount of Rs.20 crore provided for, could not be spent.
THDC 467.31 75.75 In the case of THDC it is due to non approval of the revised cost estimates by the competent authority. (Rs.391.56 crore). Also due to reluctance of NR constituents to source power from Tehri PSP, the project could not get approved.